
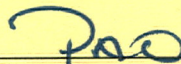


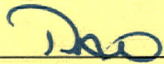
March 6, 2000

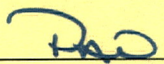
IN RE: DOCKET NO. 1999-469-C – BELLSOUTH – GUIDELINES FOR  
ALTERNATIVE REGULATION.

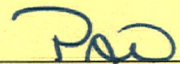
COPY OF **DIRECT TESTIMONY** OF WALTER RICE FILED ON BEHALF OF  
THE SC PUBLIC COMMS. ASSOCIATION HAS BEEN DISTRIBUTED TO:

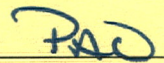
  
\_\_\_\_\_  
Chief, McDaniel


  
\_\_\_\_\_  
Legal Dept. (2)

  
\_\_\_\_\_  
Exec. Director

  
\_\_\_\_\_  
Manager, Utilities Dept.

  
\_\_\_\_\_  
Accounting (1)

  
\_\_\_\_\_  
Research (1)

  
\_\_\_\_\_  
Commissioners (7)

pao



**BEACH LAW FIRM, P.A.**

ATTORNEYS AT LAW

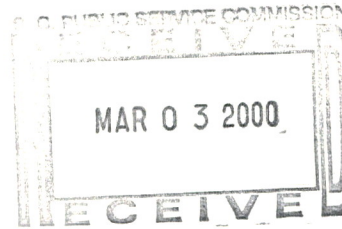
1321 LADY STREET, SUITE 310  
POST OFFICE BOX 11547  
COLUMBIA, SOUTH CAROLINA 29211-1547

February 29, 2000

JOHN F. BEACH  
JOHN J. PRINGLE, JR.

AREA CODE 803  
TELEPHONE 779-0066  
FACSIMILE 799-8479

The Honorable Gary E. Walsh  
Executive Director  
**SC Public Service Commission**  
Post Office Drawer 11649  
Columbia, South Carolina 29211



RE: Review of Proposed Guidelines for Prices Set by BellSouth  
Telecommunications, Inc. Pursuant to Section 576 of the South  
Carolina Code of Laws  
**Docket No. 1999-469-C, Our File No. 00.25**

Dear Mr. Walsh:

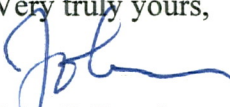
Enclosed is the original and twenty-five (25) ) copies of the **Testimony of Walter Rice** for filing on behalf of the South Carolina Public Communications Associates, ("SCPCA") in the above-referenced docket. By copy of this letter, I am serving all parties of record and enclose my certificate of service to that effect.

✓DW Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the envelope provided.

If you have any questions or need additional information, please do not hesitate to contact me.

With kind regards, I am

Very truly yours,

  
John F. Beach

JB/cr

cc: Mr. Walter Rice  
All parties of record

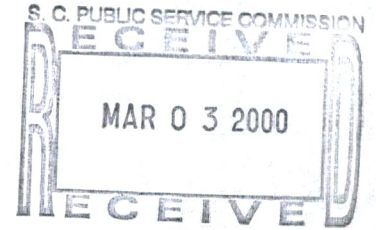
Enclosure

G:\APPS\OFFICE\WPWIN\WPDOCS\SCPCA\576 Guidelines\walsh.testimony.wpd

ACCEPTED FOR PROCESSING - 2019 November 26 9:38 AM - SCPSC - 1999-469-C - Page 2 of 12

**POSTED**  
DW3-3-0

**BEFORE THE  
PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 1999-469-C**



Review of Proposed Guidelines for Prices Set by )  
BellSouth Telecommunications, Inc. Pursuant to )  
Section 576 of the South Carolina Code of Laws )



**TESTIMONY OF WALTER RICE**

**Q. Please tell the Commission your name and business address.**

A. My name is Walter Rice and my business address is 110 Forest Ridge Court, Goose Creek South Carolina 29445.

**Q. By whom are you employed and in what capacity?**

A. I am the Vice President of R&T Communications. I am also the President of the South Carolina Public Communications Association ("SCPCA") and am here today testifying in that capacity.

**Q. Would you please describe the South Carolina Public Communications Association?**

A. Yes I will. The SCPCA is an association whose members include payphone service providers, operator service providers, long-distance carriers and other

RETURN DATE: OK DW  
SERVICE: OK DW

telecommunications-related providers in South Carolina. Our organization's primary purpose is to assist its members in the responsible provision of payphone services in South Carolina. The SCPCA serves as an advocate for the payphone industry and engages in self-regulatory activities to help insure the responsible provision of payphone services to South Carolina citizens.

**Q. What is the purpose of your testimony?**

A. The purpose of my testimony is to respond to the Proposed Guidelines for Prices Set by BellSouth Telecommunications, Inc. ("Proposed Guidelines"), and to propose certain changes thereto.

**Q: Has the Commission recently set rates for the payphone line and associated features offered by BellSouth to its PSP customers?**

A: Yes. By Commission Order Nos. 1999-285 and 1999-497, the Commission carried out the mandate of Section 276 of the Federal Telecommunications Act of 1996 (the "Act") and the *Payphone Orders*<sup>1</sup> issued by the Federal Communications Commission ("FCC") implementing the Act. The Commission set a rate for BellSouth's Pay Telephone Access Service ("PTAS") of \$36.37, a figure inclusive of any applicable Subscriber Line Charge ("SLC") and Primary Interexchange Carrier Charge ("PICC").

---

<sup>1</sup> *Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, *Report and Order*, FCC 96-388 (rel. Sept. 20, 1996) ("*Report and Order*"), *Order on Reconsideration*, FCC 96-439 (rel. Nov. 8, 1996) ("*Order on Reconsideration*"), *Order*, DA 97-678 (Com. Car. Bur., rel. Apr. 4, 1997) ("*Bureau Waiver Order*"), *Order*, DA 97-805 (Com. Car. Bur., rel. Apr. 15, 1997) ("*Second Bureau Waiver Order*").

**Q: Do the Proposed Guidelines address BellSouth's PTAS rates specifically?**

A: No. Section 58-9-576 of the South Carolina Code of Laws ("Section 576"), and BellSouth's Proposed Guidelines, define "basic services" as "flat-rated local exchange services for residential and single-line business customers." Accordingly, "non-basic services" include all other services offered by BellSouth. Thus, BellSouth's Proposed Guidelines appear to have defined PTAS as a non-basic service for purposes of BellSouth's operation under Section 576.

**Q: How does BellSouth propose to adjust its rates for non-basic services?**

A: Article III, Section 4 of the Proposed Guidelines provides only that "[c]hanges to these rates must not unreasonably discriminate between similarly situated customers and must not reflect an abuse of market position." Further, Article III, Section 7 of the Proposed Guidelines states that "BellSouth's price increases for services other than Basic Services shall not exceed five percent (5%) of aggregate revenues in a twelve (12) month period. BellSouth shall provide appropriate documentation to demonstrate compliance."

**Q: Can BellSouth escape its federally-mandated responsibility to provide cost-based PTAS rates by electing to operate under Section 576?**

A: No. Any proposed changes to BellSouth's PTAS line rate, or the tariffing of new features or services made available to PTAS customers, must still meet the standards set out in the

1996 Act and the *Payphone Orders*. The Commission ruled in Docket No. 97-124-C that:

BellSouth bears the burden in this proceeding of demonstrating that its proposed rates for payphone access line and associated features are cost based, consistent with § 276 of the 1996 Act, non-discriminatory, and in compliance with the FCC's new services test. We hold that the rate we adopt for PTAS in this Order, comprised of the sum total of the elements described in the Findings of Fact above, provides BellSouth with full recovery of its direct costs, plus an appropriate level of overhead costs, in compliance with the new services test. We find that the rates approved herein are otherwise in compliance with the requirements of §276 of the 1996 Act and are non-discriminatory.

Order No. 1999-285, Conclusions of Law at Paragraph One. The Commission's Orders in Docket No. 97-124-C express the mandate of Section 276 and the Payphone Orders, and require BellSouth to justify its changes in payphone rates based on the standards set out therein.

**Q: What do Section 276 of the 1996 Act, the Payphone Orders, and the Commission's Orders in Docket 97-124-C require BellSouth to do in order to make changes to its PTAS rate?**

**A:** In order to change the PTAS rates approved by the Commission in Docket No. 97-124-C, or to tariff rates for new features or services applicable to its PTAS customers, BellSouth must come back before this Commission and make a full cost justification demonstrating its entitlement to any changed or new rates.

**Q: How does the SCPCA propose to amend the Guidelines to ensure consistency and compliance with Section 276 of the 1996 Act, the Payphone Orders, and**

**Commission Order Nos. 1999-285 and 1999-497?**

A: I propose that a new Paragraph 5 be inserted after existing Paragraph 4 in Article III of the Proposed Guidelines. The purpose of this new paragraph is to clarify that Section 58-9-576 does not give BellSouth the ability to change its PTAS rate or to tariff new PTAS features or services. This Paragraph would contain the following language:

The rates for Public Telephone Access Service ("PTAS"), including the line rate and all present and future feature rates, are not subject to the requirements of Section 58-9-576 or governed by these Guidelines. The Commission's Orders issued in Docket No. 97-124-C, which implement the Federal Communication Commission's applicable cost-based rates requirements, govern BellSouth's tariffing of the PTAS line and feature rates.

**Q: Does this conclude your testimony?**

A: Yes.

G:\APPS\OFFICE\WPWIN\WEDOC\SCPCA\576 Guidelines\testimony.rice.wpd



**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 1999-469-C**



IN RE: )  
)  
Review of Proposed Guidelines for Prices Set by )  
BellSouth Telecommunications, Inc. Pursuant )  
to Section 576 of the South Carolina Code of )  
Laws )  
\_\_\_\_\_ )

**CERTIFICATE OF SERVICE**

This is to certify that I have caused to be served this day, one (1) copy of the **Testimony of Walter Rice** by placing a copy of same in the care and custody of the United States Postal Service (unless otherwise specified), with proper first-class postage affixed thereto and addressed as follows:

Elliott Elam, Staff Attorney  
**SC Department of Consumer Affairs**  
PO Box 5757  
Columbia, SC 29250

Frank Mood, Esq  
**Sinkler & Boyd, PA**  
PO Box 11889  
Columbia SC 29211

Darra W. Cothran, Esq.  
**Woodward, Cothran & Herndon**  
PO Box 12399  
Columbia SC 29211

Terrance A. Spain, Esq.  
**(Representing Department of Defense/Federal Agencies)**  
Regulatory Law Office  
901 North Stuart St., Suite 700  
Arlington VA 22203

Caroline Watson, Esq.  
**BellSouth Telecommunications, Inc.**  
Legal Department  
1600 Hampton Street  
Columbia SC 29201

  
\_\_\_\_\_  
Carol Roof

February 29, 2000  
Columbia, South Carolina

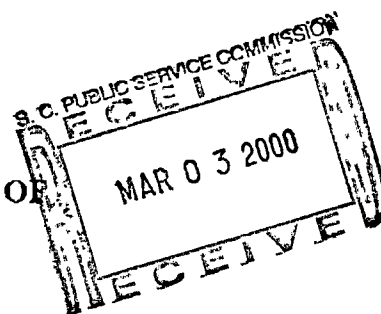
G:\APPS\OFFICE\WPWIN\WPDOCS\STATE\BellSouth 576 Plan\CERT.576.BK!



03/03/00 10:13 FAX 803 788 0418 DEACON LAW FIRM P.A. 002

**REVISED**

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 1999-469-C



IN RE: )

Review of Proposed Guidelines for Prices Set by )  
BellSouth Telecommunications, Inc. Pursuant )  
to Section 576 of the South Carolina Code of )  
Laws )

**CERTIFICATE OF SERVICE**

This is to certify that I have caused to be served this day, one (1) copy of the **Testimony of Walter Rice** by placing a copy of same in the care and custody of the United States Postal Service (unless otherwise specified), with proper first-class postage affixed thereto and addressed as follows:

Elliott Elam, Staff Attorney  
SC Department of Consumer Affairs  
PO Box 5757  
Columbia, SC 29250

Frank Mood, Esq  
Sinkler & Mood  
PO Box 11889  
Columbia SC 29211

Darra W. Cothran, Esq.  
Woodward, Cothran & Herndon  
PO Box 12399  
Columbia SC 29211

Terrance A. Spain, Esq.  
(Representing Department of Defense/Federal Agencies)  
Regulatory Law Office  
901 North Stuart St., Suite 700  
Arlington VA 22203

Frank Rogers Ellerbe III, Esquire  
**Robinson, McFadden & Moore**  
P.O. Box 944  
Columbia, SC 29202  
Caroline Watson, Esq

**BellSouth Telecommunications, Inc.**  
Legal Department  
1600 Hampton Street  
Columbia SC 29201

  
\_\_\_\_\_  
Carol Roof

March 3, 2000

Columbia, South Carolina

G:\APPS\OFFICE\WPWIN\WPDOS\SCPCA\576 Guidelines\CERT.SER.wpd

S.C. PUBLIC SERVICE COMMISSION  
RECEIVED  
UTILITIES DEPARTMENT

**REVISED**

S.C. PUBLIC SERVICE COMMISSION  
RECEIVED  
MAR 06 2000

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 1999-469-C**

IN RE: )  
)  
Review of Proposed Guidelines for Prices Set by )  
BellSouth Telecommunications, Inc. Pursuant )  
to Section 576 of the South Carolina Code of )  
Laws )  
\_\_\_\_\_ )

**CERTIFICATE OF SERVICE**

This is to certify that I have caused to be served this day, one (1) copy of the **Testimony of Walter Rice** by placing a copy of same in the care and custody of the United States Postal Service (unless otherwise specified), with proper first-class postage affixed thereto and addressed as follows:

Elliott F. \_\_\_\_\_ Attorney  
Consumer Affairs  
57  
9250  
sq  
d  
Columbia SC 29211

*Tricia -  
orig  
attach to  
Testimony*

Darra W. Cothran, Esq.  
**Woodward, Cothran & Herndon**  
PO Box 12399  
Columbia SC 29211

Terrance A. Spain, Esq.  
**(Representing Department of Defense/Federal Agencies)**  
Regulatory Law Office  
901 North Stuart St., Suite 700  
Arlington VA 22203

Frank Rogers Ellerbe III, Esquire  
**Robinson, McFadden & Moore**  
P.O. Box 944  
Columbia, SC 29202  
Caroline Watson, Esq

**BellSouth Telecommunications, Inc.**  
Legal Department  
1600 Hampton Street  
Columbia SC 29201

  
Carol Roof

March 3, 2000  
Columbia, South Carolina  
G:\APPS\OFFICE\WPWIN\WPDOCS\SCPCA\576 Guidelines\CERT.SER.wpd